

# TSP

## Open Season

May 15 – July 31, 2001



*Decisions,  
Decisions*

**The Thrift Savings Plan** is a voluntary retirement savings and investment plan for FERS (Federal Employees' Retirement System) and CSRS (Civil Service Retirement System) employees. The purpose of the TSP is to provide retirement income. A major advantage of the TSP is that you pay no taxes on contributions or earnings until you withdraw your account.

**If you are covered by FERS,** the TSP is one of the three parts of your retirement package. The money you save and earn through your TSP account will provide an important source of retirement income.

As a FERS employee, this open season you can elect to contribute up to 11% of your basic pay each pay period, up to the 2001 Internal Revenue Service (IRS) limit (\$10,500).

As soon as you are eligible for agency contributions, your agency will automatically contribute an amount equal to 1% of your basic pay each pay period, whether you contribute or not. If you are contributing, your agency will match your contributions:

- dollar for dollar on the first 3% you contribute each pay period, and
- 50 cents on the dollar for the next 2% you contribute.

FERS employees hired before July 1, 2000, are already eligible for agency contributions. Other FERS employees are eligible as follows:

If you were hired:	Your Agency Contributions will begin:
July 1, 2000 – December 31, 2000	First full pay period in July 2001
January 1, 2001 – June 30, 2001	First full pay period in January 2002
July 1, 2001 – December 31, 2001	First full pay period in July 2002

If you are a rehired FERS employee, or if you have questions about your eligibility for agency contributions, contact your personnel office.

**If you are covered by CSRS**, you can contribute up to 6% of your basic pay each pay period, up to the annual IRS limit (\$10,500 for 2001). You do not receive any agency contributions.

**The TSP open season** is your chance to start or change the amount of your contributions to your TSP account.

Ask your personnel office for the TSP Election Form (TSP-1) or download a copy from the Forms & Publications section of the TSP Web site, [www.tsp.gov](http://www.tsp.gov). (Some agencies may be using an electronic version of Form TSP-1. Check with your personnel office for guidance.) Submit your completed Form TSP-1 to your personnel office before the end of the open season. Your contributions will be made automatically from your pay each pay period, as explained on the back of Form TSP-1.

## **You can choose among five investment funds:**

- **Government Securities Investment (G) Fund** — invested in short-term, risk-free U.S. Treasury securities that are specially issued to the TSP
- **Fixed Income Index Investment (F) Fund** — invested in a bond index fund that tracks the Lehman Brothers U.S. Aggregate (LBA) bond index
- **Common Stock Index Investment (C) Fund** — invested in a stock index fund that tracks the large companies included in the Standard & Poor's (S&P) 500 stock index

- **Small Capitalization Stock Index Investment (S) Fund** — invested in a stock index fund that tracks medium and small companies included in the Wilshire 4500 stock index
- **International Stock Index Investment (I) Fund** — invested in a stock index fund that tracks the 21 countries included in the Morgan Stanley Capital International EAFE (Europe, Australasia, and Far East) stock index

**You may choose or change your investments** in the following ways:

- **Contribution allocation** — specifies the way in which all new money coming into your account (payroll contributions, loan payments, rollovers) is invested in the funds. It does not affect the investment of your current balance.
- **Interfund transfer** — redistributes the money already in your account. It does not affect the investment of future contributions.

You may make your contribution allocation or interfund transfer at any time using:

- the **TSP Web site** ([www.tsp.gov](http://www.tsp.gov))
- the **ThriftLine** (504-255-8777)
- **Form TSP-50, Investment Allocation**

The Web site and the ThriftLine are the most efficient ways to make your investment allocation. You will need your Social Security number and your TSP Personal Identification Number (PIN) to make your request. If you are a new participant, you will receive a PIN in the mail after your account is established.

Contribution allocations are processed upon receipt; interfund transfers are processed monthly.

**The annual rates of return** (net earnings after expenses) for the G, F, and C Funds are shown below.

Year	G Fund	F Fund	C Fund
1991	8.1%	15.7%	30.8%
1992	7.2%	7.2%	7.7%
1993	6.1%	9.5%	10.1%
1994	7.2%	-3.0%	1.3%
1995	7.0%	18.3%	37.4%
1996	6.8%	3.7%	22.8%
1997	6.8%	9.6%	33.2%
1998	5.7%	8.7%	28.4%
1999	6.0%	-0.8%	21.0%
2000	6.4%	11.7%	-9.1%
<b>1991 – 2000 compound annual rates of return</b>	<b>6.7%</b>	<b>7.9%</b>	<b>17.4%</b>

The rates of return for the indexes which the S and I Funds track are shown below (with no expenses deducted).

Year	S Fund* Index (Wilshire 4500)	I Fund* Index (EAFE)
1991	43.5%	12.2%
1992	11.9%	-12.2%
1993	14.6%	32.7%
1994	-2.7%	7.8%
1995	33.5%	11.3%
1996	17.2%	6.1%
1997	25.7%	1.5%
1998	8.6%	20.1%
1999	35.5%	26.7%
2000	-15.8%	-14.2%
<b>1991 – 2000 compound annual rates of return</b>	<b>15.9%</b>	<b>8.2%</b>

\* The S and I Funds were implemented in May 2001. The S Fund (Small Capitalization Stock Index Investment Fund) tracks the Wilshire 4500 stock index. The I Fund (International Stock Index Investment Fund) tracks the Europe, Australasia, and Far East (EAFE) stock index.

There is no guarantee that future rates of return will replicate historical rates. There is risk of investment loss in the F, C, S, and I Funds.

TSP returns are calculated monthly. You can get the most recent returns by visiting the TSP Web site at [www.tsp.gov](http://www.tsp.gov) or by calling the TSP ThriftLine at (504) 255-8777.

**More information about the TSP** is available from your personnel office. Ask for the revised *Summary of the Thrift Savings Plan for Federal Employees (5/2001)*. Be sure to review the information in the Plan Summary before you make any TSP decisions. If you want more detailed information on the TSP investment funds, ask for the *Guide to TSP Investments*. You can also get information from the TSP Web site.

There are restrictions on withdrawing your money while you are employed; however, the TSP loan program can give you access to money that you have contributed. Also, in-service withdrawals are available under certain circumstances. Read the Plan Summary for details.

**Reminder to TSP participants:** If your address has changed, contact your agency immediately to correct your TSP account records.



**Thrift Savings Plan**  
**for Federal Employees**

